

Counterparts - E.A.M.L.

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973
(202) 393-2266
FAX (202) 393-2156

OF COUNSEL
URBAN A. LESTER

20071

May 24, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

MAY 24 11 10 AM '96

RECEIVED
SURFACE TRANSPORTATION BOARD
MAY 24 1996

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of an Memorandum of Lease , dated as of May 22, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor	:	Residual Based Finance Corporation Three First National Plaza, Suite 1240 Chicago, Illinois 60602
Lessee:	:	Bangor & Aroostook Railroad Company Route 2 Bangor, Maine 04401

A description of the railroad equipment covered by the enclosed document is:

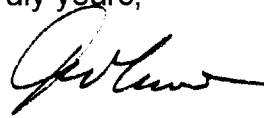
nine (9) locomotives BAR 82, 83, 85, 86, 90, 92, 93, 96 and 98

Mr. Vernon A. Williams
May 24, 1996
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", written in a cursive style.

Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

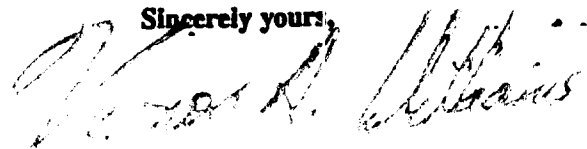
5/24/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/24/96 at 11:15AM, and assigned recordation number(s). 20071, 20071-A, 19299-B and 19299-C.

Sincerely yours,

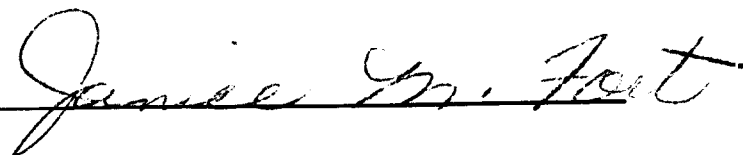


Vernon A. Williams
Secretary

Enclosure(s)

\$ 84.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE made as of May 22, 1996 is intended to evidence the Equipment Lease dated as of May 22, 1996 (the "Lease") between **RESIDUAL BASED FINANCE CORPORATION**, an Illinois corporation ("Lessor"), and **BANGOR & AROOSTOOK RAILROAD COMPANY**, a Maine corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under 49 U.S.C. § 11301. Lessor has the right to lease the nine (9) General Motors Electro-Motive Division model GP38 locomotives, more fully described in Exhibit A hereto (the "Units"), pursuant to the Lease. Lessee leased from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due corporate authority, has executed this Memorandum of Lease on the date indicated below its signature.

**RESIDUAL BASED FINANCE
CORPORATION, Lessor**

By: 

Title: President

Date: May 22, 1996

**BANGOR & AROOSTOOK RAILROAD
COMPANY, Lessee**

By: 

Title: Secretary & Authorized Signatory

Date: May 22, 1996

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On this 22nd day of May, 1996, before me personally appeared Vincent A. Kolber, to me personally known, who, being by me duly sworn, says that he is President of RESIDUAL BASED FINANCE CORPORATION, that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Danah Muhammad
Notary Public

My Commission Expires: April 29, 1998

[Notarial Seal]

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

On this 22nd day of May, 1996, before me personally appeared Karl R. Zubarth *Authorized Signatory*, personally known, who, being by me duly sworn says that he is Secretary & Treasurer of BANGOR & AROOSTOOK RAILROAD COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Danah Muhammad
Notary Public

My Commission Expires: _____

[Notarial Seal]

OFFICIAL SEAL
DANAH MUHAMMAD
NOTARY PUBLIC STATE OF ILLINOIS
COMMISSION EXP. APR. 29, 1998
CHI2:60727.1 05.22.96 16.15

EXHIBIT A

DESCRIPTION OF ITEMS OF EQUIPMENT

Nine General Motors Electro-Motive Division model GP38 locomotives bearing the following reporting marks: BAR 82, 83, 85, 86, 90, 92, 93, 96 and 98, together with all parts thereto.